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## ROUTING AND RECORD SHEET

ER COPY

SUBJECT: (Optional)

Senator Warner's Amendment to Authorization Bill

FROM:

Director, IC Staff

EXTENSION

NO.

DCI/ICS 84-3607 + 11

DATE

TO: (Officer designation, room number, and building)

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6/26

6/26

2. EO/ICS

6/25

3. DD/ICS

4. D/ICS

5. ~~DDCI~~ on

6. DCI (Signature)

7. ~~D/ICS~~

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STAT



A-105

DCI/ICS 84-3607

27 June 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM:   
Director, Intelligence Community Staff

STAT

SUBJECT: Senator Warner's Amendment to Authorization Bill

REFERENCE: A. Ltr fm LTG James A. Williams, USA, to Sen. Warner,  
Same Subj, dtd 15 Jun 84;  
B. Ltr fm LTG William K. Odom, USA, to Sen. Warner,  
Same Subj, dtd 20 Jun 84.

1. Action Requested: That you sign the attached letter to Senator Warner.

2. Background: Senator Warner proposed Amendment No. 3174 to the Authorization Bill. The amendment's basic purpose is to require the Secretary of Defense to report to Congress on the reverse technology transfer from foreign sources. The report is to be submitted no later than 1 March 1985.

3. Additional language states that the Secretary of the Army may not transfer any of the functions now performed by the Foreign Science and Technology Center of Development and Readiness Command to any other office or agency within the Army until after the day on which the report has been received by the Committees on Armed Services of the Senate and House.

4. The amendment temporarily halts a planned organizational change presently being considered by Department of the Army which moves scientific and technical centers out of the Army research and development organization and the Intelligence and Threat Analysis Center out of the Army Intelligence Command. These production organizations would move to the Army Intelligence Agency, a field operating agency under the Army Assistant Chief of Staff for Intelligence.

5. Attached are copies of letters from Lieutenant Generals Williams and Odom to Senator Warner.

STAT

Attachments:  
As Stated

SUBJECT: Letter to Senator John W. Warner re Amendment #3174 to Defense  
Authorization Bill Requiring DoD to Study Exploitation of  
Foreign Technology

DCI/ICS/PBS [ ] (26Jun84)

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STAT

The Director of Central Intelligence

Washington, D. C. 20505

ICS 84-3607/1

The Honorable John W. Warner  
United States Senate  
Washington, D. C. 20510

Dear Senator Warner:

I would like to express my views regarding your amendment to the Defense Authorization Bill which requires the Department of Defense to study exploitation of foreign technology. I fully support your recommendation to study reverse technology. I am concerned, however, that the amendment as currently written prevents the Foreign Science and Technology Center from participating in the Army reorganization of production centers until the completion of that study. The proposed reorganization results in more effective and efficient management of Army intelligence resources. Including the Foreign Science and Technology Center in this reorganization will enhance exploitation of foreign technology.

I would appreciate your alteration of amendment language which would permit inclusion of the Foreign Science and Technology Center in the Army reorganization.

Sincerely,

William J. Casey

SUBJECT: Letter to Senator John W. Warner re Amendment #3174 to Defense  
Authorization Bill Requiring DoD to Study Exploitation of  
Foreign Technology

DCI/ICS/PBS [redacted] 26Jun84)

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DEFENSE INTELLIGENCE : 31 (C)

WASHINGTON DC 20510

STAT

15 June 1986

U-144/DR

Honorable John W. Warner  
United States Senate  
Washington, D. C. 20510

Dear Senator Warner:

I would like to express a view and a sense of concern over your amendment to the Defense Authorization Bill requiring the Department of Defense to study exploitation of foreign technology. I agree fully with the spirit of the amendment. My perplexity arises over paragraph (2)(b) which forbids the Army to include the Foreign Science and Technology Center (FSTC) in the reorganization of Army intelligence production activities. From the point of view of the Defense Intelligence Agency as relates to the need for the R&D community to exploit foreign technology, the Army's planned reorganization promises to improve our ability to do precisely that. The apparent contradiction between the requirement to hold up presently planned improvements and proceedings with the proposed DOD study could easily be removed from the amendment by a slight language change allowing the Army's proposed reorganization to go forward. If the DOD study were to reach different conclusions, we could indeed remedy the problem at that time.

In light of the year-long study which the Army has already completed and which addresses intelligence production support to the R&D and the Doctrine communities, there is a very compelling case for the kind of necessary exploitation which will be impeded by FSTC's present position in the Materiel and Development and Readiness Command (DARCOM).

Sincerely,

AS GDI PROGRAM  
MANAGER I HAVE FOLLOWED  
CLOSELY, AND SUPPORT  
WHAT THE ARMY IS TRYING  
TO DO.

  
JAMES A. WILLIAMS  
Lieutenant General, USA  
Director



**DEPARTMENT OF THE ARMY**  
**OFFICE OF THE ASSISTANT CHIEF OF STAFF FOR INTELLIGENCE**  
 WASHINGTON, DC 20310

ONLY TO  
 ATTENTION OF

20 JAN 1984

Honorable John W. Warner  
 United States Senate  
 Washington, DC 20510

Dear Senator Warner:

Thank you for the opportunity to present my views regarding my plan to bring the Army's intelligence production activities under my Staff supervision. I cannot help but believe, however, that there is a misunderstanding of my aims.

I applaud and fully support your proposal for DoD to examine exploitation of foreign technology. Reverse technology is precisely the kind of issue that the consolidation is designed to bring into proper focus. I need JSTC to accomplish this. My assessment is that the Army record for success in this arena is not good. I have personally been involved in the long effort to get Soviet Ribbon Bridge and other technology incorporated into our acquisition process against Army resistance. Current Army regulation assigns responsibility for Foreign Materiel Exploitation and there are numerous examples of specific materiel exploitation (Encl 1). However, there is no "system" within which to work reverse technology opportunities.

As you are aware, there have been a number of independent studies addressing the consolidation issue beginning as early as 1975 (Encl 2). As recently as last year the Army Audit Agency completed a review of the Army programs which support the Concept Based Requirements System (CBRS) which drives doctrine, force structure, training and new equipment (Encl 3). On the whole these studies support, and in large part have given rise to my recommendation to General Wickham to proceed with consolidation. He has given his approval (Encl 4).

Also in 1983 the Army Materiel Development and Readiness Command (DARCOM) found in its review of intelligence activities that there are currently artificial separations between exploitation requirements for foreign materiel which are a threat to US forces and foreign materiel needed for technology evaluations (Encl 5). I will add that there is a strong need to bring the Combat Developer (Training and Doctrine Command) into the exploitation business so that specific requirements can be fed back into the R&D community. The current DARCOM delegation of Foreign Materiel Exploitation management to JSTC



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to avoid HQ manpower ceiling reduces the visibility and stature of the FME office and precludes an effective interface with other Army elements. Additionally, funding lines are far too low for the relatively large costs involved in the program. I can fix that part, but without direct control of the resident capability in FSTC, I cannot force the crosswalk between the R&D and Combat Development communities.

Similarly, I can neither control nor can I direct the intelligence analysis efforts of the Foreign Science Technology Center and Missile Intelligence Agency (belonging to DARCOM), and Intelligence and Threat Analysis Center (belonging to Intelligence and Security Command). In a few areas these centers have done first-class work. In others the work has been embarrassingly amateurish. Unfortunately, the latter has been overwhelmingly the case. The Army Audit Agency report was scathing in this regard. The Army has \$389 billion in force modernization programs for which, according to the Army Audit Agency, there is no assurance of adequate threat-based justification for the major portion. This is not a trivial matter. That isn't to say that the program we had prior to adoption of the CBRS was faulty. It is important to understand that CBRS requires coherence of threat intelligence in support of DA planners, materiel development, force development and doctrine which the current organizational alignment does not provide.

In practice program managers in the development community have asked for and received informal opinion on threats if they didn't like what they had. The test and evaluation community did the same if they didn't like the program managers' threat data. War gamers changed the threat to suit themselves but didn't alert the system up the line that they had done so. As the Army G-2, this situation is unacceptable.

My problem is simple. As the person responsible for providing intelligence to the Army, I must also be able to direct the process that provides it. I cannot now do so. With the consolidated Army Intelligence Agency (AIA) and the General Officer attention it provides, I can.

I emphasize that my consolidation plan does not include relocation of any of the production centers. It is not necessary, and it would create interruptions I cannot afford. In fact, the AIA planning for FSTC involves capital investment upgrades of a permanent nature. Were relocation on the agenda, these investments would make no sense. My goal for AIA is a "leveling up" of the quality of intelligence production through direct General Officer supervision of the three centers in the form of a Field Operating Agency assigned to me. Under such an arrangement, I can work the issues directly. Better use of foreign technology will be one such issue.

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With specific regard to FSTC, I have programmed about \$74 million for FSTC upgrades through 1990. Through trade-offs I have recommended a \$6 million plus-up for FY86 (Encl 6).

My request is that you alter your amendment to allow inclusion of FSTC in the ongoing consolidation now, while the OSD study your amendment directed is implemented (Encl 7). I am confident that the DoD study will support my initiatives, as did the studies that precipitated them. I am at your disposal for personal discussions.

Sincerely,

*Wm E Odom*

WILLIAM E. ODOM  
Lieutenant General, USA  
ACofS for Intelligence

Enclosures